

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking Regarding the
Implementation of the Suspension of Direct Access
Pursuant to Assembly Bill 1X and Decision 01-09-060.

Rulemaking 02-01-011
(Filed January 9, 2002)

**COMMENTS OF THE CITY OF MORENO VALLEY AND THE CITY AND
COUNTY OF SAN FRANCISCO IN SUPPORT OF PORTIONS OF THE
NOVEMBER 3, 2006 WORKING GROUP PARTIES JOINT PETITION FOR
MODIFICATION OF D.06-07-030**

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December 4, 2006

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Pursuant to Rule 16.4 of the Commission's Rules of Practice and Procedure, the City of Moreno Valley and the City and County of San Francisco, file these comments in support of the *Working Group Parties' Joint Petition For Modification Of Decision 06-07-030, Opinion Regarding Direct Access And Departing Load Cost Responsibility Surcharge Obligations* (Petition), filed with the Commission on November 3, 2006. Specifically, Moreno Valley and San Francisco support the proposed calculation of the cost responsibility surcharge (CRS) for municipal departing load (MDL) customers taking electric service from a publicly owned utility (POU) that are not exempt from paying the Department of Water Resources (DWR) power charge component of the total MDL CRS for Southern California Edison (SCE) set out in the Petition, and urge the Commission to modify Decision (D.) 06-07-030 to adopt Attachment A and Attachment B of the Petition.

In the Petition, the parties seek to change D.06-07-030 (Decision) to "modify Table 3C of the Decision for SCE and SDG&E as shown in Attachment A, and adopt the results in

Modified Table 3C for 2003 – 2006 for SCE, and 2006 for SDG&E, as the CRS applicable to MDL customers not exempt from the DWR Power Charge component of the CRS.”

Furthermore, Attachment B of the Petition includes a “billing sample” that demonstrates how the MDL CRS accrual rates are applied.

Moreno Valley and San Francisco believe that modified Table 3C set forth in Attachment A to the Petition accurately reflects the calculation of the total CRS for MDL customers. The CRS is a charge imposed on MDL customers (as well as other classes of customers) and not on the POU, and nothing in the Petition or underlying Decision changes this basic fact or the fact that billing and collecting the CRS is an investor owned utility function. However, modifying D.06-07-030 to incorporate the necessary clarifications set out in Attachment A will aid both the Commission, MDL customers, and other affected parties by providing the most informed example of the total MDL CRS obligation. While Moreno Valley and San Francisco understand that the figures in Attachment A for years 2007 through 2011 are illustrative, it is still beneficial to view those estimates in relation to the actual numbers adopted by the Commission for years 2003 through 2006. Attachment A includes corrections and clarifications to the original Table 3C set forth in D.06-07-030, and Moreno Valley and San Francisco urge the Commission to adopt the proposed modifications set forth in Attachment A.

In Attachment B, the Petition sets forth a clear and concise example illustrating the application of the accrual rates to the MDL CRS calculation. Moreno Valley and San Francisco urge the Commission to adopt Attachment B as part of the modified D.06-07-030 in order to avoid any confusion regarding the manner in which the past balances will be applied to the total current CRS obligation of MDL customers. The example in Attachment

B applies to MDL that began taking service from a publicly owned utility in 2004 (2004 Vintage), but can be used to demonstrate the applicable accrual for other vintages as well. As with Attachment A, Attachment B is a useful tool that provides much needed clarity to MDL customers, affected parties, and to the Commission.

For the reasons set forth herein, Moreno Valley and San Francisco support the Petition and urge the Commission to make the requested modifications to D.06-07-030.

December 4, 2006

Respectfully submitted,¹



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¹ Pursuant to Rule 1.8, counsel for the City of Moreno Valley tenders this document for filing on behalf of all the named parties.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **COMMENTS OF THE CITY OF MORENO VALLEY AND THE CITY AND COUNTY OF SAN FRANCISCO IN SUPPORT OF PORTIONS OF THE NOVEMBER 3, 2006 WORKING GROUP PARTIES JOINT PETITION FOR MODIFICATION OF D.06-07-030** on all known parties to R.02-01-011 by transmitting an e-mail message with the document attached, to each party named in the official service list, last revised November 8, 2006. For those parties that did not provide an email address, the document was served by first-class mail.

Executed this 4th day of December, 2006.


Katie McCarthy